

**The Catholic Foundation
For
The Archdiocese of Dubuque**

STATEMENT OF INVESTMENT POLICY

NOVEMBER 5, 2018

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Introduction and Purpose

This Statement of Investment Policy is set forth to:

- Define the investment policies, guidelines and objectives of the Catholic Foundation for the Archdiocese of Dubuque. (“CFAD”) as adopted by CFAD’s Board of Directors (“Board”) and its Investment Committee (“Investment Committee”).
- Create a framework from which the Investment Committee can evaluate performance, explore new opportunities and make recommendations to enhance CFAD, along with the Designated (“Designated Portfolio”) and Trustee (“Trustee Portfolio”) Investment Portfolios.
- Provide guidance for, expectation of and limitation on all parties bearing investment responsibilities for CFAD.

The intent of this Statement is to design an investment environment with specific parameters that reflects the philosophy of CFAD, thereby providing the Investment Committee with clearly defined policies and objectives. Although these policies and objectives are intended to govern the investment activity of CFAD, they are designed to be sufficiently flexible in order to be practical.

All current and future accountholders will be informed periodically of CFAD’s Statement of Investment Policy.

Executive Summary

- The Catholic Foundation for the Archdiocese of Dubuque Board of Directors, ultimately, is responsible for making the decisions that affect the Foundation (“CFAD”). The Board receives information and recommendations from the Board’s Investment Committee.
- The Investment Committee is charged with recommending investment policy, and with overseeing the investment of the funds of the Foundation and the property of the Foundation in which its funds are invested.
- The Consultant is charged with monitoring the Foundation’s performance, implementing specific investment directives and recommending investment strategies to the Investment Committee in order to obtain the Long-Term Objectives set forth in the Investment Policy.
- Investment Managers selected by the Investment Committee on the advice and counsel of the Consultant are required to invest assets in accordance with the guidelines and restrictions dictated by the Statement of Investment Policy.
- The custodian is charged with providing timely detailed investment reports on a monthly basis, an annual summary report, and normal custodial functions such as security safekeeping, collection of income, etc.
- The long-term objective of the Foundation is to achieve a total return equal to or in excess of each of the Foundation’s financial requirements over the Time Horizon. In addition to achieving the Spending Rate, the Policy Asset Allocation is designed to cover the costs of investment management/consulting fees, custodial, administrative and related costs, impact of inflation, and any growth factor, which the Investment Committee may, from time to time, determine appropriate.
- The CFAD Board of Directors is responsible for approval of the investment policy and any changes made to it.
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Capitalized terms used but not specifically defined herein shall have the meanings ascribed thereto in the Articles of Incorporation of The Catholic Foundation for the Archdiocese of Dubuque, the CFAD Bylaws or the CFAD Designated Fund policy.

Delegation of Responsibilities

Relationship between Board of Directors and Investment Committee

The Board of Directors, ultimately, is responsible for making the decisions that shape CFAD's Investment Policy. The Board, in accordance with its Bylaws, has delegated certain authority to the Investment Committee to implement these policies, coordinate the activities of Investment Managers, the Consultant and Custodian, study issues pertinent to CFAD, and make day-to-day investment decisions as appropriate.

Investment Committee

The Board has engaged the services of the Investment Committee to assist and advise in carrying out its responsibilities to manage the investment operations of the fund. In this regard, the Investment Committee is authorized and permitted to engage the services of Consultants, Custodians, and registered Investment Managers who possess the necessary specialized research facilities and skill to meet the investment objectives and guidelines of CFAD. Accordingly, the Investment Committee must require the service providers to adhere to any policies adopted by the Committee. Below is a general outline of the various stakeholders' responsibilities:

Investment Committee

The Investment Committee's responsibilities include:

- Selecting Investment Managers, Consultants, and Custodians;
- Setting investment policy guidelines consistent with the Board's overall policy directives;
- Developing investment objectives and performance measurement standards which are consistent with the financial needs of CFAD;
- Determining the asset allocation and rebalancing strategies to implement the Board's overall objectives and selecting the investment managers to meet these objectives;
- Reviewing and evaluating investment results in the context of predetermined performance standards and implementing corrective action as needed;
- Monitoring the spending rate policy set by the Board; and
- Implementing and managing other criteria determined by the Board.

Consultant

The Investment Committee may decide to engage an independent investment consulting firm to assist it in the attainment of CFAD's objectives and to monitor compliance with the stated investment policies. The Consultant's responsibilities are:

- Assisting in the development and implementation of investment policies, objectives, and guidelines;
- Preparing asset allocation analyses as necessary and making recommendations for an asset allocation strategy with respect to CFAD's objectives;
- Reviewing Investment Managers - including search, recommendation and selection consistent with the objectives of CFAD;
- Preparing and presenting performance evaluation reports in accordance with CFA Institute promulgated standards;

- Attending Investment Committee meetings to present evaluation reports on a quarterly basis (attendance at other meetings is on an “as needed” basis);
- Reviewing contracts and fees for both current and proposed Investment Managers;
- Reviewing and developing special investment strategies that complement existing asset classes or strategies to be considered by the Investment Committee;
- Communicating investment policies and objectives to the managers, monitoring their adherence to such policies and reporting all violations;
- Notifying the Investment Committee of any changes in personnel or ownership of the consulting firm;
- Assisting the Investment Committee in special tasks;
- Notifying the Investment Committee immediately of any litigation or violation of securities regulations in which any Investment Manager is involved; and
- Notifying the Investment Committee of any significant changes in portfolio managers, personnel or ownership of any investment management firm.

Investment Managers

Each Investment Manager is expected to pursue their own investment strategy within the guidelines created for individual managers. Coordination of the guidelines for the individual managers assures the combined efforts of the managers will be consistent with the overall investment objectives of CFAD.

The Investment Managers’ responsibilities are as follows:

- Investing assets under their management in accordance with the guidelines and restrictions formulated by the Investment Committee;
- Exercising discretionary authority over the assets entrusted to them, subject to these guidelines and restrictions and in compliance with all relevant laws;
- Providing written documentation of portfolio activity, portfolio valuations, performance data, and portfolio characteristics on a monthly basis in addition to other information as requested by the Investment Committee and the Consultant;
- Voting proxies vigorously in the best interests of CFAD and consistent with the directives of the Investment Committee;
- Notifying the Consultant and the Investment Committee of any significant changes in portfolio management style, personnel, or ownership of the investment manager;
- Notifying the Consultant and the Investment Committee of any litigation or commencement of a regulatory administrative proceeding or enforcement action in which the investment manager is involved;
- Be governed by the CFA Institute Code of Ethics and Standards of Professional Conduct or, alternatively, by an internal code. If governed by an internal code the current document and all future updates must be provided to the Subcommittee; and
- Annually providing a copy of the investment advisor’s form ADV Part II.

For the avoidance of doubt, any commingled investment strategies shall be governed by the terms and conditions outlined in the investment vehicle’s prospectus.

Custodian

The Custodian's responsibilities are as follows:

- Providing timely reports detailing investment holdings and account transactions monthly to the Investment Committee and Consultant;
- The Custodian will also provide an annual summary report to be submitted to the Investment Committee and the Consultant within 21 days following each fiscal year end. The report will include the following:
 - Statement of all property on hand;
 - Statement of all property received representing contributions to the accounts;
 - Statement of all sales, redemptions, and principal payments;
 - Statement of all distributions from the account;
 - Statement of all expenses paid;
 - Statement of all purchases; and
 - Statement of all income.
- Establishing and maintaining an account(s) for each Investment Manager of CFAD;
- Be in compliance with all relevant laws and regulations;
- Providing all normal custodial functions including security safekeeping, collection of income, settlement of trades, collection of proceeds of maturing securities, daily investment of cash balances, etc.; and
- Preparing additional accounting reports as requested by the Investment Committee and Investment Consultant.

Investment Policy and Objectives

Objectives:

- Return:** The long-term objective of CFAD is to provide reliable and sustainable income for the current needs of beneficiaries and to perpetuate the resources of CFAD for future generations. Therefore, the minimum investment returns from the CFAD – Designated Portfolio needs to be sufficient to offset spending and expenses. The fund has adopted a “total return” investment approach. Current income is considered a secondary consideration. The target rate of return is displayed below:

CFAD – Designated Portfolio	
Spending Rate	4.0%
Inflation Rate	2.2%
Investment Management Fees	0.6%
<hr/>	
Long-Term Return Need (<i>Gross of Fees</i>)	7.8%
Long-Term Return Need (<i>Net of Fees</i>)	6.8%

- Risk:** The Investment Committee will permit the Fund to experience an overall level of risk consistent with the risk generally associated with such Committee’s policy asset allocation as set forth in **Appendix B**.

Constraints:

- Liquidity:** Due to the long-term investment horizon of the fund, liquidity is of secondary concern. The Fund should maintain sufficient funds to provide for annual spending and expenses.
- Time Horizon:** The Fund has an infinite life and should be managed with a time horizon of fifty to one hundred years.
- Taxes:** CFAD has a tax-exempt status. All actions of the Investment Committee should be taken in recognition and preservation of this status.
- Legal and Regulatory:** The Investment Committee must comply with applicable laws and regulations, plus fiduciary standard of care.
- Unique Circumstances:** Investments shall be made to not only meet the objectives of investment and economic performance, but also consider the objectives of social and moral responsibility as outlined in the Moral and Social Guidelines listed below.

Spending Policy

The Investment Committee must conduct its investment allocation analysis in recognition of CFAD’s need for short-term distribution income, and long-term maintenance and growth of capital. As a result, the Investment Committee is authorized to appropriate for expenditure in any year for the uses and purposes for which the Fund is established so much of the net appreciation, realized and

unrealized, in the fair market value of the investment portfolio over the historic dollar value of the investment portfolio as is prudent, but in all events not to exceed the amount determined under this Spending Policy.

Spending Rate - The Foundation

The Investment Committee recognizes that authorizing a Spending Rate equal to the Fund's total return each year will imperil CFAD's long-term objective. At the same time, CFAD is aware that the beneficiaries may require an adequate distribution amount for expenditures. Therefore, CFAD's policy shall be that a Spending Rate not to exceed 4.0% is appropriate to meet the needs of the beneficiaries. This Spending Rate will be reviewed periodically by the Board and its Investment Committee, in light of evolving trends with respect to the economic cycle, investment outlook, investment/market returns, as well as the needs of beneficiaries. Adjustments will be made when appropriate and documented in meeting minutes.

In carrying out the Spending Policy, the Investment Committee is specifically authorized to distribute more in an individual year than was actually earned in the year where, for instance, the most recent four quarters experienced a loss. The policy will act to maintain a more stable distribution stream, whether total return is positive or negative in given years.

The spending rate for the Trustee Portfolio differs from that of the Designated Portfolio. This outline represents a guideline for the Designated portfolio. Please see appendix C for a summary of the Trustee Portfolio.

Total Return Policy

The Foundation hereby adopts a "total return" approach to calculating investment returns. This total return is comprised of both traditional "income" (interest and dividends) and realized and unrealized net capital gains. When distributions are made, the Investment Committee may withdraw them from the portfolio regardless of the portion of the total return that is from capital gains or from income.

Spending Rate Calculation

It shall be the policy of the Foundation to distribute annually, an amount equal to the product of the most recent twelve-quarter moving average of the investment portfolio's market value, multiplied by the Spending Rate.

Return Measurement Objectives

The investment objectives of the Foundation are based upon a long-term investment horizon allowing interim fluctuations to be viewed in an appropriate perspective. While there cannot be complete assurance that the defined objectives will be realized, it is believed that the likelihood of their realization is enhanced by the diversified asset allocation of the Foundation assets.

Over time, the Foundation's goal is to achieve the total fund return goal while maintaining acceptable risk levels. To accomplish this goal, the Foundation will diversify its assets among several asset classes. **Appendix A** provides permissible asset classes and appropriate index measures of these classes. Active managers will be expected to provide returns greater than or equal to their appropriate benchmark while utilizing acceptable risk levels.

It is the Foundation's goal to obtain the following returns. All return objectives described are understood to be net of (after) investment expense.

- Total Foundation (Total Fund) assets should return, over the Time Horizon, an annualized nominal rate of return greater than or equal to the spending rate plus expenses.
- Total Foundation (Total Fund) assets should return, over rolling 3 to 5 year periods, a nominal rate of return greater than or equal to a composite index created by combining various indices (**Appendix A**) in the same proportion as the Foundation’s target allocation (described in Asset Allocation section).
- Each active investment manager is expected to return, over rolling thirty-six month periods, a nominal rate of return greater than or equal to the appropriate market index for that investment manager (**Appendix A**), with not more than commensurate risk. By way of contrast, index, or passive managers are expected to provide returns roughly identical to the appropriate benchmark, before reasonable fees, with no more volatility than the benchmark.

Volatility and Risk

The Foundation believes that the return objectives can be achieved while assuming acceptable risk levels commensurate with “market” volatility. “Market” volatility is defined as the trailing three-year standard deviation of investment returns (based on monthly data) of the benchmark indices deemed appropriate.

The Foundation further defines risk as the probability of failing to meet the Foundation’s General Investment Objectives over the time horizon. Therefore, in order to minimize the probability of failure, thereby minimizing risk, the Investment Committee will consider the following variables in all aspects of the decision-making process with regards to the Foundation’s investable assets:

- Probability of Missing the Return Goal over the Long-Term
- Liquidity Requirements
- Loss Containment (Maximum Allowable Decline)
- Capital Preservation
- Asset/Style Allocation

Asset Allocation

The Foundation believes that a significant portion of a fund’s investment behavior can be attributed to (1) the asset classes/styles which are employed by the fund, and (2) the weighting of each asset class/style. It is the responsibility of the Investment Committee to identify and implement a Policy Asset Allocation that offers the highest probability of achieving the Foundation’s investment objectives with the lowest level of commensurate risk. The Investment Committee, with guidance and recommendations from their Consultant, shall review the asset mix on an ongoing basis and recommend revisions to the Board as necessary.

The Policy Asset Allocation has been adopted by the Board on recommendation from the Investment Committee based on a comprehensive asset allocation study completed by the Consultant. The Policy Asset Allocation of the Foundation, as presented in **Appendix B**, is designed to give balance to the overall structure of the Foundation’s investment program over the Time Horizon. However, some factors may impact the Policy Asset Allocation, thereby requiring an asset allocation review and possible rebalancing. Some of these factors include:

- The Investment Committee's assessment of the intermediate or long term outlook for different types of asset classes and styles;
- The Consultant's assessment of the intermediate or long term outlook for different types of asset classes and styles;
- Divergence in the performance of the different asset classes and styles from the Policy Asset Allocation; and
- In responding to the changing outlook for the asset classes, the Investment Committee may from time to time recommend to the Board revisions to the Policy Asset Allocation set out in **Appendix B**.

Moral and Social Guidelines

Desired Outcomes for the Guidelines

The Foundation shall avoid knowingly or intentionally investing in companies whose activities conflict with the teachings of the Catholic Church.

In making this assertion, the Catholic Foundation for the Archdiocese of Dubuque, acknowledges there may be instances where such information may not be available for certain asset classes. In these cases, the Investment Committee will determine if investment in the asset class(es) is advisable in the context of the spirit of this policy, balancing the investment merits with the social implications of said investment.

Guidelines

The following moral and social guidelines will be followed. The Catholic Foundation for the Archdiocese of Dubuque will not knowingly or intentionally invest in any company whose profits come principally from what the teaching of the Catholic Church defines as morally unacceptable, such as:

- Direct participation in abortion or the production of medical equipment/devices and/or medicinal therapies that are used primarily in abortion;
- Research and testing which uses fetal tissue procured through abortion;
- The manufacture and/or marketing of contraceptives;
- The use of embryonic stem cell research;
- The production of nuclear, biological or chemical weapons and/or weapons of mass destruction;
- The production, sale, marketing and/or distribution of pornographic materials.

Accountability

The Investment Committee shall observe these guidelines and, employing the best mechanisms by which a company's business activities can be reasonably assessed, apply them to the best of its ability. To assist the Committee, the Consultant shall annually perform a comprehensive evaluation of the portfolio to ensure conformity to these guidelines, making adjustments when necessary and as company activities evolve.

Contributions

From time to time, the Foundation may receive requests for gifts with holding or sale restrictions and/or conditions attached thereto. The policy of the Foundation is to not accept gifts with investment restrictions unless specifically approved by the Executive Committee or the Foundation Board. If gifts with restrictions are approved, the Foundation will comply with the restrictions. However, gifts received will be subject to the investment, moral and social guidelines included in this policy. All cash donations to the Foundation shall immediately be invested according to the asset allocation policy

Portfolio Rebalancing

Since Policy Asset Allocation is the most critical component of the Foundation's return, it is desirable to rebalance the Foundation's portfolio periodically to minimize deviations from the Policy Asset Allocation mix. Policy Asset Allocation rebalancing refers to rebalancing the individual asset class allocations to the stated policy allocation by measuring the total of the Foundation's assets based on their respective asset classes.

The Investment Committee is authorized to monitor and direct the automatic rebalancing of the fund at the end of each month in the event any asset class allocation differs from policy by more than 20% of the target weight, but with a 2% minimum requirement. For example, if the Policy Asset Allocation for an asset class is 3% of the total portfolio, then the portfolio's actual allocation must be either below 1% or above 5% of the total portfolio before rebalancing is required. An actual allocation of 1.5% would have a deviation of 50% from the target weight but not meet the 2% minimum deviation threshold.

The Investment Committee shall ensure that the Consultant informs the administration (Executive Director and Treasurer) at the close of any month in which rebalancing in the portfolio is necessary. The administration will be responsible for approving and implementing any recommendations made by the Consultant to reallocate the assets in the portfolio. The Consultant will assist the Administration as needed in the process of implementing any portfolio rebalancing.

Permissible Investments

The target asset allocation of the Endowment Fund is expected to include a wide range of asset classes. These asset classes and their relative comparative indices are displayed in **Appendix A**. The asset classes include but are not limited to:

- Domestic Large-Capitalization Equity
- Domestic Small-Capitalization Equity
- International Large-Capitalization Equity
- International Small-Capitalization Equity
- International Emerging Markets Equity
- Domestic and International Fixed Income
- Cash Equivalents
- Natural Resource Equities
- Liquid Commodity Strategies
- Hedge Funds
- Private Equity
- Real Estate

Investment Policies and Performance Goals for Investment Managers

The following Investment Manager performance goals and constraint guidelines are to be placed by the Investment Committee directly or through its Consultant on individual managers within specific asset classes:

- Active managers may be terminated at the discretion of the Investment Committee due to philosophical changes, turnover of or malfeasance by key investment staff or management, long-term underperformance from that of the associated benchmark, or other material events.
- Index (passive) managers may be terminated at the discretion of the Investment Committee if performance or volatility significantly deviates from that of the associated benchmark.
- No manager shall be permitted to use margin or to otherwise leverage the portfolio without the prior consent of the Board or its Executive committee, unless specified in the Strategy's Prospectus.

Public Equity

- The maximum weighting (market basis) in any one company for active managers shall be 10% of the manager's portfolio.
- Trading and Execution: Managers should execute trades on a competitive basis, considering both commission and market impact, as compared to relative size funds.

Public Fixed Income

- All fixed income securities should be of investment grade at the time of purchase (Moody's rating of Baa or higher, S&P rating of BBB or higher), unless a specific strategy utilizing below investment grade securities is approved by the Investment Committee or is stated in the strategy's prospectus.
- The maximum weighting (market basis) in any one security for active managers shall be 10% of the manager's portfolio. Debt obligations issued by or guaranteed by the U.S. Treasury, its agencies, or its Government Sponsored Enterprises (including, but not limited to Fannie Mae, Freddie Mac, and the Federal Home Loan Bank) are not subject to this limitation.

Hedge Fund, Private Equity and Private Real Asset Investments

- Hedge Fund managers are typically given significantly more latitude in the implementation of their strategies and investment instruments than Traditional Managers. Taking into account the additional latitude of investment responsibility, the Committee still holds hedge fund investment managers to the same guidelines as traditional active investment managers as outlined above.
- Private Equity and Private Real Assets pose unique challenges to monitoring and performance measurement. A priori due diligence of private investment instruments is critical given the lengthy investment periods (+10 years) and limited means of disposition. When reviewing a private investment, the Committee will consider the appropriateness of the strategy and opportunity set relative to the objectives of the Endowment, experience of the investment team, tenure of the firm, investment performance of previous offerings, fund structure and terms, and fund target size.

- Analyzing the performance of a private investment poses additional challenges relative to traditional investment managers. Among these:
 - a. Negative cash flows during the investment period of a private investment, “J-Curve”, will cause negative performance returns during the initial years of the investment’s life.
 - b. Time-weighted vs. dollar-weighted returns. By their nature, private investments are cash flow driven. The dollar-weighted return or IRR takes into consideration the timing of cash flows. Time-weighted returns typically used to measure traditional investment manager performance, gives equal weight to the returns of every time period, regardless of the amount of money invested.
 - c. Asset performance reporting occurs on a monthly or quarterly basis. Private asset valuations are updated quarterly, with the mark-to-model process lagging by a quarter or longer. This timing mismatch makes cross-asset class comparisons difficult and can cloud the ability to gauge portfolio-level performance.

Mortality Arbitrage

The Mortality Arbitrage position is a portfolio of annuities on the lives of eligible participants. Distributions from the annuities are used to fund the premiums for an equivalent life insurance policy. The insurance policy provides the return of the initial annuity funding upon the insured’s demise. Annuity payments in excess of the policy premiums provide a source of return for the Foundation.

Other

- **Active vs. Passive Management Decision:** The Investment Committee shall continue to review the relative advantages of passive versus active management in the context of reduced management expenses, stable performance and constant, complete exposure to the particular asset class with regard to the excess return provided by the individual manager, and may make changes to managers based on these factors.
- **Related Party Transaction:** The Foundation will not loan funds to related parties defined as an officer, board member, employee, or donor either current or prospective.

Procedure for Revising Guidelines

All investment policies and performance goals will be reviewed annually or when deemed necessary by the Investment Committee, which may make recommendations for changes to the Board. In order to facilitate timely adjustments and rebalancing to the Foundation’s Policy Asset Allocation without undue delays, the Policy Asset Allocation may be revised with a majority vote of the Foundation Board acting on advice from the Investment Committee.

Reporting Requirement

The Consultant will be responsible for the preparation of monthly performance evaluation reports, which shall comply with standards developed by the CFA Institute. The format of the Foundation’s performance evaluation reports shall be developed with input from the Investment Committee.

Conflicts of Interest

All persons responsible for investment decisions or who are involved in the management of the Foundation or who are consulting to, or providing any advice whatsoever to the Investment Committee shall disclose in writing at the beginning of any discussion or consideration by such groups any relationships, material beneficial ownership, or other material interest(s) which the person has or may reasonably be expected to have, with respect to any investment issue under consideration. The Investment Committee may require such persons to remove themselves from the decision-making process.

Any members of the Investment Committee responsible for investment decisions or who are involved in the management of the Foundation shall refuse any remuneration, commission, gift, favor, service or benefit that might reasonably tend to influence them in the discharge of their duties, except as disclosed in writing to and agreed upon in writing by such committee. The intent of this provision is to eliminate conflicts of interest between the committee membership and the Foundation. Failure to disclose any material benefit shall be grounds for immediate removal from the Investment Committee. This provision shall not preclude the payment of ordinary fees and expenses to the Foundation's custodian(s), Investment Managers or Consultant in the course of their services.

Appendix A

**COMPARATIVE INDICES
FOR TRADITIONAL INVESTMENT MANAGERS**

ASSET CLASS	COMPARATIVE INDEX
Equity	
Domestic Equity	
U.S. All-Cap Stocks	Dow Jones US Total Stock
U.S. Large Stocks	S&P 500
U.S. Large Value Stocks	Russell 1000 Value
U.S. Large Growth Stocks	Russell 1000 Growth
U.S. Large Quality Stocks	Dividend Achievers Select
U.S. Mid Stocks	Russell 2500
U.S. Small Stocks	Russell 2000
U.S. Small Value Stocks	Russell 2000 Value
U.S. Small Growth Stocks	Russell 2000 Growth
International Equity	
Int'l Large/Mid Stocks	MSCI EAFE
Int'l Small Stocks	MSCI World ex U.S. Small Cap Index
Emerging Market Stocks	MSCI Emerging Markets Free
Global Equity	MSCI World Index
Fixed Income	
Domestic Fixed Income	Bloomberg Barclays Aggregate Bond
Inflation-Protected Fixed	Bloomberg Barclays U.S. TIPs Index
High Yield Fixed Income	Bloomberg Barclays High Yield
Global Fixed Income	Citigroup World Bond
Emerging Mkt Bonds	JPM Emerging Mkt Bond
Cash Equivalents	U.S. Treasury Bills
Real Assets	
Natural Resources (Public)	S&P NA Natural Resources
Natural Resources (Private)	Mercer Illiquid Natural Resources Index
Real Estate (including REITs)	FTSE EPRA/NAREIT Dev. Index
Commodities	Dow Jones AIG Commodity Index
Infrastructure	S&P Global Infrastructure
Absolute Return	
Private Equity	
	HFRI FOF Composite Index
	Burgiss Global Private Equity Index

Appendix B

DESIGNATED PORTFOLIO TARGET ASSET ALLOCATION

Asset Class	Policy (%)	Range
Growth Assets		55 - 75
US Large-Cap	17	
US Large Quality	6	
US Mid-Cap	3	
US Sml-Cap	1	
Domestic Equities	27	10 - 50
International Large-Cap	17	
International Sml-Cap	2	
Emerging Mkts	7	
International Equities	26	10 - 50
EM Local Currency Debt	2	0 - 5
Global Stocks	4	0 - 10
Private Equity	6	0 - 10
Real Assets	5	0 - 10
Risk Reduction Assets		25 - 45
US Fixed Income	11	10 - 50
US Inflation Protected Fixed	4	0 - 8
Cash	0	
Absolute Return	15	0 - 20
Total	100	

The investment policy stated above was in effect at the time the IPS was approved. The Investment Committee may amend the target within the associated ranges without Board approval.

Appendix C

INVESTMENT OF ASSETS FOR THE TRUSTEE PORTFOLIO

Trustee Account Definition: A Trustee account is an investment agreement between the CFAD and a client to invest funds on behalf of the client for 10 years. Investors may access up to 10% of the investment value on an annual basis and fully redeem from the portfolio at the end of the agreed term.

Objectives and Guidelines

Objective: Trustee account assets are invested to meet the intermediate return goals of the investors. See table below for the Trustee Portfolio Target Asset allocation.

Guidelines: The Foundation's Investment Committee will have the responsibility and authority for determining the most appropriate investment strategy and vehicles for the portfolio.

The Investment Committee acknowledges that the asset allocation decision is the single most important decision impacting the Trustee Portfolio. It further recognizes the policy and guidelines set forth in this Investment Policy Statement apply to the execution of its oversight of the Trustee Portfolio.

Asset Class	Policy (%)	Range
Growth Assets		45 - 75
US Large-Cap	15	
US Large Quality	5	
US Mid-Cap	3	
US Sml-Cap	2	
Domestic Equities	25	10 - 40
International Large-Cap	13	
International Sml-Cap	2	
Emerging Mkts	6	
International Equities	21	10 - 40
EM Local Currency Debt	4	0 - 5
Global Stocks	4	0 - 10
Real Assets	5	0 - 10
Risk Reduction Assets		25 - 55
US Fixed Income	20	10 - 50
US Inflation Protected Fixed	6	0 - 8
Cash	0	
Absolute Return	15	0 - 20
Total	100	

The investment policy and performance goals of the Trustee Portfolio will be reviewed at least annually or deemed necessary by the Committee.

Signatures:

Board Secretary

This Investment Policy Statement must be reviewed by the Investment Committee at least once a year and confirmed as appropriate or amended as necessary at that time.

Approved at a meeting of the Board of Directors on this ____ day of ____, 2018.